

PROPOSAL EVALUATION

Integrated Regional Water Management Implementation Proposition 50, Chapter 8 IRWM Implementation Step 1

PIN: 3840
APPLICANT NAME: County of San Luis Obispo
PROJECT TITLE: San Luis Obispo County Consolidated Water Project Implementation Proposal

FUNDS REQUESTED: \$ 50,000,000
COST MATCH: \$272,472,000
TOTAL PROJECT COST: \$322,472,000

DESCRIPTION: The Nacimiento Water Supply Project, with the Lake Nacimiento Watershed Mercury Sediment Reduction Project as a companion project; the Los Osos Wastewater Treatment Facility Project; the Nipomo Supplemental Water Project; and the Lopez Treatment Plant Upgrade Project. This proposal addresses water supply reliability for over 80% of the region's urban residents, including six of the region's seven incorporated cities along with significant portions of the urban population living in unincorporated urban areas. Water quality issues ranging from watershed contamination by mine wastes to protection of a national Estuary would be addressed. Ecosystem benefits range from elimination of alternative projects with significant long-term environmental effects to better growth management by providing adequate supplies to existing urbanized areas.

Question: Consistency with Minimum IRWM Standards - This evaluation will focus on whether the applicant has demonstrated that the IRWM Plan meets the minimum standards.

Pass

Question: Consistency with IRWM Standards - Adopted IRWM Plan and Proof of Formal Adoption. Weighting factor is 1. 3

The IRWMP was adopted by the applicant December 6, 2005 by the San Luis Obispo County Board of Supervisors who govern the applicant. The applicant is the primary agency for regional water planning and the implementation with the county. However, agencies in Water Resources Advisory Committee (WRAC) and other responsible Water Related Agencies (in Exhibits A-1 and A-2) have not adopted the IRWMP.

Question: Consistency with IRWM Standards - Description of Region. Weighting factor is 1. 4

Regional characteristic discussion is detailed and includes current and future water resources, current water resource quality, quantity, and supply and demand analysis, important ecological process and environmental resources, social and cultural makeup, economic conditions, and important trends. Mapping includes delineation of internal boundaries, major water related infrastructure, major land-use division, geohydrological characteristics, and economic distributions. The regional boundary is the county. The proposal does not adequately account for groundwater basins overlap or clarification of interregional projects relationships. The Salinas River watershed is split between this IRWMP and that of PIN 3816. Coordination between the 2 IRWMPs would help integrate management of that basin.

Question: Consistency with IRWM Standards - Objectives. Weighting factor is 1. 5

The objectives of the planning are well articulated. Specific means of achieving the goals were also identified. IRWMP goals and objectives were initially developed in water supply, water quality, ecosystem preservation and restoration, groundwater monitoring and management, and flood management. The WRAC oversaw development of the draft IRWMP goals and objectives. The draft IRWMP will receive further public review and input prior to the final version being adopted in December 2005. The objectives in the draft IRWMP are very numerous and detailed and fully address regional needs and conflicts.

Question: Consistency with IRWM Standards - Water Management Strategies and Integration. Weighting factor is 1. 4

Discussion on the water management strategies the IRWMP will employ and how they will work together to provide reliable water supply, protect and improve water quality, and achieve other IRWMP objectives is detailed and well described. The strategies are cross-linked to each other and many of the IRWM goals and objectives overlap to benefit multiple areas of water management. The 20 water management strategies in the Guidelines are linked to specific relevant IRWM goals and objectives and compared to strategies in existing local water plans (e.g., County Master Water Plan). A few other minor improvements are: 1) a matrix identifying links between strategies is provided, but how or why the strategies work together is not explained and 2) 13 benefits to integrating water management strategies were listed, but how or why they would occur is not explained.

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Question: Consistency with IRWM Standards - Priorities and Schedule. Weighting factor is 1

3

The IRWMP identified a suite of projects the IRWMP will implement and prioritized them according to short- and long-term implementation. The IRWMP would be reviewed and revised on a five-year schedule with a mid-cycle review also provided after initial IRWMP adoption in December 2005. The process for modifying priorities in response to regional changes and response to implementation of projects was identified. However, the methodology for reassessment and prioritization during the IRWMP implementation was too general. An adaptive management approach may be employed to evaluate IRWMP performance, but the draft IRWMP does not discuss how projects would be assessed, whether there would be any ability to alter project sequencing, or make other mid-implementation changes

Question: Consistency with IRWM Standards - Implementation. Weighting factor is 1.

3

The IRWMP has well defined actions, projects, and studies, ongoing or planned, for implementation. However, the discussion was very general. 69 projects were identified. Scheduling for 5 of the projects and for the development and update of the final IRWMP itself were provided; however, scheduling for the remaining 64 action items was not discussed. The IRWMP identifies that existing institutional structures will be used to implement the IRWMP and possible "alternative institutional structures" will be considered in the future. Interdependence between projects was identified, although not fully articulated. Detailed project linkages are shown for 4 projects. Feasibility of the projects was determined based on the prioritization score ranking criteria; however, supporting rationale was missing. The feasibility of 4 projects was discussed, but absent for the other 65 projects. The implementation status of the Los Osos project is currently in question.

Question: Consistency with IRWM Standards - Impacts and Regional Benefits. Weighting factor is 1.

3

Impacts and benefits to DACs are attributed to the region as a whole. Interregional benefits based on the hydrologic linkages to the counties to the south and north were discussed as well as other resources (e.g., air, cultural, biological, and utilities). Advantages of the IRWMP include increased regional understanding, economics of scale, and fostering support within the region. Interregional impact and benefits was addressed in general terms. A general analysis of the IRWMP and project implementation impacts and benefits was provided in the proposal; however, methods used to determine them were not discussed. For example, protection of high value habitat is stated, but no explanation is provided on how this benefit would come from implementing the IRWMP. Potential impacts were cited, but it is unclear that they would result from IRWMP implementation (e.g., increase in urban water demand, demands on parks and open space, and more stringent wastewater treatment requirements).

Question: Consistency with IRWM Standards - Technical Analysis and Plan Performance. Weighting factor is 1.

3

Discussion of data, technical methods, and analyses used in the selection of the strategies is missing; however, current data collection systems were discussed. Data gaps were identified, but a means to supplementing the gaps was not discussed. The IRWMP identified measures that will be employed to monitor project/IRWMP performance. However, the mechanism to be used was non-specific. For example, many action items only list "compliance monitoring and reporting" without explaining what this is or how it is done. The highest priority action item is the Nacimiento Water Project which pipes water from the lake to three towns. Performance monitoring for this includes a "Groundwater level monitoring program," but it is unclear if it is to monitor the effect of this diversion in and near Nacimiento Reservoir or at the points of delivery in the Nipomo Mesa Area.

Question: Consistency with IRWM Standards - Data Management. Weighting factor is 1.

3

The proposal details existing data collection activities, assessment, and means of disseminating the information to stakeholders and the public. The applicant has an existing Resource Management System that monitors land use and water supply patterns. The applicant's current data is available to the public, but only via a written request and groundwater data from private wells is not available to the public. The state of existing monitoring efforts was discussed and several data gaps were identified including how to measure IRWMP performance. The only mention of supporting statewide data needs was a commitment to collect water quality monitoring data according to SWAMP and GAMA guidelines.

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Question: Consistency with IRWM Standards - Financing. Weighting factor is 1.

2

Potential funding/financing for IRWMP implementation depends on securing grant funding. Beneficiaries of the identified projects are generally described as the entire region and its constituents. Funding sources for the 4 IRWMP implementation grant projects are described as SWB State Revolving Fund Loans, the IRWMP grant, "contractual commitments", and "settlement provisions of litigation." The last 2 sources are not explained. For most of the 69 projects, fund sources are not specified beyond the agency responsible for the item. If these items encounter "inadequate funding" the IRWMP adaptive management approach would be used to identify "how to solve these obstacles." The applicant indicates the O&M funding for the 4 implementation grant projects will come from local sources. There is no indication regarding the funding sources for long-term projects. The financing plan and funding for implementation are generally questionable and are of particular note for the Los Osos project.

Question: Consistency with IRWM Standards - Relation to Local Planning & Sustainability. Weighting factor is 1.

3

The local planning documents are not listed by name, but were identified as general, land use, or operational plans developed by local agencies that were named. The IRWMP is described as being a foundation for the local planning documents by providing the perspective of regional water resource needs and constraints. Since the IRWMP is not final, this foundation may relate to future revisions to local planning documents. None of the 69 projects are related to specific local planning documents except for the Nacimiento Water Pipeline Project. The draft IRWMP was developed with assistance from the WRAC. Most of the local land use decision makers are represented on the WRAC. There is a general discussion of linkages between water management strategies and local planning documents, and most of the local documents are said to be based in large part on water availability concerns.

Question: Consistency with IRWM Standards - Stakeholder Involvement & Coordination. Weighting factor is 1.

4

The WRAC represents the major stakeholders in the region. Three public workshops were held in early 2005 to begin IRWMP development. DAC involvement appears to be at the governmental level; inclusion of community group or other forum was lacking. Plan outreach consists of various subcommittees and WRAC itself. DAC and environmental justice issues will be determined and refined during development of the final IRWMP. A mechanism for including additional stakeholders in the WRAC for is not apparent. Coordination with State and federal agencies within the current regional management structure exists. Possible obstacles to IRWMP implement was discussed in general terms.

Question: Funding Match. This evaluation will focus on whether the applicant has demonstrated the ability to meet the minimum funding match or has requested a waiver or reduction in the funding match. Pass or Fail.

Pass

Question: Description of Proposal. Weighting factor is 3.

9

A general discussion of the work scope, goals, objectives, scientific basis, beneficial use, and water quality and quantity are summarized. Each project is prioritized and ranked. Consistency with the IRWMP is identified and a matrix depicting how the projects will meet IRWMP objectives is provided. Although supporting documentation is cited, the scientific basis of each project is general. Several water management elements were identified to be addressed by the four projects, but rationales are missing. Integration of the 4 projects has regional benefits but documentation was general in nature and missing supporting documentation. Integration was not apparent for the other 64 IRWMP projects. Technical analysis of how the projects will track and measure water quality and quantity improvements is not included. Discussion on environmental compliance is missing.

Question: Project Prioritization. Weighting factor is 2.

8

Projects are prioritized within the region and within the proposal. Both short-and long-term projects are identified within the IRWMP and ranking of short-term projects are identified. The proposal consists of 4 projects, which are identified in the draft IRWMP as being in the top 13 high priority IRWMP action items. It is not clear why the 4 projects were included in the proposal over the other 9 equally highly ranked IRWMP action items.

Question: Cost Estimate. Weighting factor is 1.

3

A number of tables depict cost estimates. Construction/Implementation contingency ranges from 17 to 35% and appear high. One of the projects has higher planning, design, engineering, and environmental documentation than construction cost. Supporting documentation was not provided making it hard to determine if the costs are reasonable. The Nacimiento Mercury project is part of the larger Nacimiento Water Supply Project but has a separate budget sheet. The largest single item is \$26,400,000 for the Nacimiento Water Supply Project, but a cost breakdown was not provided making it is difficult to determine the reasonableness of the estimate.

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Question: Schedule. Weighting factor is 1.

5

The schedule provided was in greater detail than the cost estimate and the work scope. One of the projects would require a Stream Bed Alteration permit. No other related IRWMP elements were identified except those proposed for funding. The schedule for the Los Osos project may need significant reevaluation.

Question: Need. Weighting factor is 2.

8

Discussion on the current water supply systems and expected long-term regional water needs is succinct and includes how each project will help meet that need. However, long-term supply needs are not quantified. Discussion also includes regional economic, environmental, and fiscal need for the projects. Negative impacts that would result from not completing the project are briefly described. Local and regional economic, environmental, and fiscal impacts related to the four projects are briefly described.

Question: Disadvantaged Communities. Weighting factor is 2.

6

The proposal identified the DACs make-up. Benefits derived from project implementation will indirectly benefit DACs. However, direct benefits to DACs were not adequately described, and each of the 4 projects claims to provide possible benefit to DACs. The applicant claims that 18% of the region's population has household incomes below the 80% standard. The applicant is not requesting a match reduction or waiver. No projects are designed specifically to benefit DACs or their specific needs.

Question: Program Preferences. Weighting factor is 1.

4

Discussion on how the IRWMP and project implementation meets the program preference is succinct. Most of the proposal is directed to improving water supplies. 2 projects expand distribution of potable water supplies, 1 project improves a drinking water supply, and 1 project improves a wastewater treatment facility. Improvements in meeting water quality standards in the region will be minor and will be focused mainly in the Los Osos area. Some reduction of pollution that impairs habitat will occur as a result of the Los Osos project. However, the implementation status of the Los Osos project is in question. The Lopez project will improve drinking water quality that benefits Oceano, a DAC.

TOTAL SCORE: 83
